

THE CARROLL COX SHOW  
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January 7, 2014

Mr. Mark A. Chandler  
Director, CPD HUD Honolulu  
1132 Bishop Street, Ste. 1400  
Honolulu, HI 96813

**Regarding : "workout agreement" and "Action Timeliness Test".**

Dear Mr. Chandler;

This Sunday, January 12, 2014, I will be discussing the Honolulu's upcoming sale of their Affordable Housing its' handling of money it received from HUD on my radio talk show, *The Carroll Cox Show*, airing 9 to 11 a.m. on KWAI 1080 AM. To help clarify some of the issues, can you please provide answers to the following questions regarding the sale of the Affordable Housing by this Friday, January 10, so I can include the information in my discussion.

Has the mayor formerly consulted with The United States Housing and Urban Development on the sale of the city's Affordable Housing? If yes, when and what is HUD's position on the sale?

1. For over eight years the City has off and on discussed the City affordable housing sale with HUD. In regard to the current issue being reported in the media related to the buyer and financing issue, the City has not discussed in deal its plans with HUD.

Is the city required to consult HUD prior to selling its" AFFORDABLE HOUSING"?

2. The City must ensure CDBG and HOME program compliance any issues involving or impact program compliance will need to be discussed with HUD.

How much money did the city receive from HUD in July, 2012? How much of the money received in the 2012 budget has been spent?

3. The City was allocated \$7,530,357 (FY2012) in CDBG funds. To date \$3.5 million has been expended.

How much money did the city receive from HUD in July, 2013? How much of the money received in the 2013 budget has been spent?

4. The City was allocated \$7,817,498 (FY2014) in CDBG funds. To date none of the funds have been sent

Did the city's spending of the money received in 2012 and 2013 meet the "Action Timeliness Test"? If no, please provide specifics.

5. CDBG funds when expended count towards timeliness. The expenditure of the FY 2012 funds helps towards meeting timeliness.

Can the city lend any portion of the unspent money to the buyer of its "AFFORDABLE HOUSING" to purchase buy the city's "AFFORDABLE HOUSING"?

6. Without specific details on a proposed use of the funds to assist with a property acquisition we are unable to answer this question at this time

Is it true that the city failed to spend timely and failed to meet HUD's "Action Timeliness Test"?

7. Yes, the City failed CDBG timeliness test last year, thus placing funds are risk this year if it should fail timeliness again.

Is it true that the city must spend a certain portion of the money received from HUD by May of

8. True

Is there any truth to the claim that the city has entered into a "workout agreement" with HUD because the city failed to spend money it received from HUD consistent with the "Action Timeliness Test"? If yes, please provide specifics.

9. False, the City failed to enter into a workout agreement with HUD. The City was given the opportunity to enter into a workout agreement but because it did not respond for several months to the proposed plan the workout agreement was changed to a workout plan issue by HUD directing the City to comply.